

## Message Text

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43

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AGR-10 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 TRSE-00 CIEP-02 FRB-01 OMB-01

PA-02 PRS-01 USIA-15 /063 W  
----- 056590

P R 221925Z APR 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 5157

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 3431

E.O. 11652: N/A

TAGS: EAGR; ETRD, BR

SUBJECT: BRAZILIAN SOYBEAN INCENTIVES

REF: BRASILIA 3311

1. SUMMARY: QUESTION OF AN INCENTIVE PROGRAM FOR  
BRAZILIAN SOYBEANS EXPORTS REMAINS UNRESOLVED. END  
SUMMARY.

2. ACCORDING TO APRIL 20 PRESS REPORTS, THE GOB HAS  
NOT YET BEEN ABLE TO REACH A DECISION ON AN INCENTIVE  
PROGRAM FOR SOYBEAN EXPORTS. ACCORDING TO THE REPORTS,  
CACEX DIRECTOR BENEDITO MOREIRA MET WITH FINANCE  
MINISTER SIMONSEN ON APRIL 20 TO DISCUSS THE SUBJECT. ONE  
PRESS REPORT STATES THAT PRODUCERS, CRUSHERS, AND EX-  
PORTERS REPRESENTATIVES ON THE CACEX SOYBEAN COMMITTEE MET FOR  
MORE THAN THREE HOURS ON APRIL 19, BUT WERE UNABLE TO REACH  
A CONSENSUS ON AN INCENTIVE PROGRA. (COMMENT: A  
CACEX OFFICIAL HAS CONFIRMED TO CONGEN RIO THAT NO  
CONSENSUS WAS REACHED. HE SAID THE DISCUSSION AT THE  
APRIL 19 MEETING CENTERED ON WAYS TO LOWER COSTS (E.G.,  
COSTS OF TRANSPORTATION FROM FARM TO PORT, AND TO  
IMPROVE STORAGE.)

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3. THE PRESS REPORTS SAY THAT COBEC WILL BEGIN EXPORTING SOYBEANS IMMEDIATELY. THE MOVE IS BEING CONSIDERED A FORM OF PRESSURE ON EXPORTERS TO SHIP NOW WITHOUT GOB FINANCIAL SUPPORT. TECHNICIANS IN COBEC REPORTEDLY BELIEVE THAT WITH THE RECENT CLIMB OF SOY-BEAN PRICES ON THE CHICAGO EXCHANGE, THERE EXIST GOOD POSSIBILITIES FOR SELLING SOYBEANS AT A PRICE THAT WILL YIELD THE PRODUCER CR\$ 80 PER SACK. THE PRESIDENT OF FECOTRIGO WAS QUOTED AS SAYING THAT EXPORTING MUST BEGIN NOW IN ORDER TO AVOID COSTLY STORAGE OF THE NW CROP), TO PERMIT THE SMOOTH FLOW OF SHIPMENTS FROM PORTS, AND TO AVOID DISCOURAGING FUTURE PLANTING.

4. ONE PRESS REPORT SAID BRAZILIAN SOYBEAN PRODUCERS WERE "EUPHORIC" ABOUT THE NEWS (USDA ANNOUNCEMENT) THAT US SOYBEAN PLANTING THIS SPRING IS EXPECTED TO DROP BY 10 PERCENT. OTHER BRAZILIAN PRODUCERS, THE REPORTE ADDED, CAUTIONED THAT HIGHER PRODUCTIVITY AND GOOD WEATHER COULD COMPENSATE FOR REDUCED PLANTING IN THE US.  
JOHNSON

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## Message Attributes

**Automatic Decaptioning:** X  
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**Current Classification:** UNCLASSIFIED  
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**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**TAGS:** EAGR, ETRD, EPAP, BR  
**To:** STATE  
SAO PAULO  
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